#### DETAILED ACTION

#### Acknowledgements

The Applicants amendment filed on April 24,2008 is hereby acknowledged, Claims 38-43,45,46,48-54, 56-62, 72-79, 84-105 remain pending .Applicant's request for reconsideration of the finality of the rejection of the last Office action is persuasive and, therefore, the finality of that action is withdrawn.

## Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 38-43,45,46,48-54, 56-62, 72-79, 84-105 are rejected under 35 U.S.C. 103(a) as being unpatentable over Garfinkle (US Patent 5,530,754 in view of Stefik (US Patent 5,715,403).

As per claim 38,

Garfinkle ('754) A method of delivering digital content, comprising:

receiving a request from a customer for transfer of A/V content in digital form to the customer; receiving payment from the customer for the transfer of the A/V content in accordance with a first usage rule; transferring audio/video content in digital form from a content provider to

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the customer in accordance with the first usage rule, the digital form of the A/V content comprising at least an audio portion and a video portion; (Column 3,

lines 19-43; and Column 3 line 54 -- column 4 line 11; Figure 5)

wherein the selected portion comprises at least one of a soundtrack, a documentary segment, art interview, an audio segment, a video segment and a still image; wherein the customer is presented with the opportunity in a menu displayed at least just prior to, during or just tier presentation of the full selection of AV content; and enabling the customer to store the selected portion if the customer elects to complete the transaction. (Column 3, lines 19-43; and Column 3 line 54 -- column 4 line 11; Figure 5)

Garfinkle ('754) does not explicitly disclose providing limited usage rights to the AN content to the customer; presenting the customer with an opportunity to complete a transaction to acquire additional, rights to a selected portion of the A/V content. Stefik ('403) discloses providing limited usage rights to the AN content to the customer; presenting the customer with an opportunity to complete a transaction to acquire additional, rights to a selected portion of the A/V content (Figure 15). It would be obvious to one having ordinary skill in the art at the time the invention was made to combine the Garfinkle ('754) method with the Stefik ('403) method since the combination of these elements does not alter their respective functions, the combination would have yielded predictable results to one of ordinary skill in the art at the time of the invention

Claims 46, 48, 62, 72, 79, 84, 94 and 103 and 104-105 are not patentably distinct from claim 38 and are rejected for at least the same reasons.

As per claim 39.

Garfinkle ('754)discloses the method according to claim 38,

Garfinkle ('754) discloses the claimed invention except for "second

usage rule ", It would have been obvious to one having ordinary skill in the art at the time the invention was made to use a second usage rule, since it has been held that mere duplication of the essential working parts of a device involves only routine skill in the art. St Regis Paper Co.

As per claim 40,

v. Bemis Co., 193 USPO 8.

Garfinkle ('754)discloses the method according to claim 39.

wherein the transaction comprises one off a purchase of unlimited rights to play the selected portion, a purchase of rights to play the selected portion for a designated period of time, and a purchase of rights to play the selected portion a designated number of times. (Column 3, lines 19-43; and lines 54-63)

Claim 51 is in parallel with claim 40 and is rejected for at least the same reasons.

As per claim 41,

Garfinkle ('754) discloses the method according to claim 38,

wherein the A/V content further comprises a table of contents portion (TOC) that indexes the selected portion. (Column 3, lines 54-62)

Claims 52, 58 and 78 are in parallel with claim 41 and are rejected for at least the same reasons

As per claim 42,

Garfinkle ('754) discloses the method according to claim 38,

Garfinkle ('754) does not explicitly disclose the presenting and enabling take place within a designated period of time defined by the first usage rule. Stefik ('403) discloses the presenting and enabling take place within a designated period of time defined by the first usage rule (Figure 15). It would be obvious to one having ordinary skill in the art at the time the invention was made to combine the Garfinkle ('754) method with the Stefik ('403) method since the combination of these elements does not alter their respective functions, the combination would have yielded predictable results to one of ordinary skill in the art at the time of the invention.

Claims 53, 77 and 102 are in parallel with claim 42 and are rejected for at least the same reasons.

As per claim 43,

Garfinkle ('754) discloses the method according to claim 38,

wherein the A/V content comprises one of a motion picture, a television program, a documentary and a music video. (Abstract)

Claim 54 is in parallel with claim 49 and is rejected for at least the same reasons.

As per claim 45,

Garfinkle ('754) discloses the method according to claim 38,

wherein the transferring comprises one of downloading the A/V content as one or more digital files, streaming the A/V content, and transmitting the A/V content as a real time transmission. (Abstract, Figure 5)

Claims 56, 75, 92 and 101 are in parallel with claim 45 and are rejected for at least the same reasons

As per claim 49,

Garfinkle ('754) discloses the method according to claim 48,

Garfinkle ('754) does not explicitly disclose the storing comprises receiving a key code from the content provider to permit storing the selected portion. Stefik ('403) discloses the storing comprises receiving a key code from the content provider to permit storing the selected portion. (Figure 15). It would be obvious to one having ordinary skill in the art at the time the invention was made to combine the Garfinkle ('754) method with the Stefik ('403) method since the combination of these elements does not alter their respective functions, the combination would have yielded predictable results to one of ordinary skill in the art at the time of the invention

Claims 87 and 96 are in parallel with claim 49 and are rejected for at least the same reasons

As per claim 50,

Garfinkle ('754) discloses the method according to claim 48,

wherein the storing comprises receiving a download from the content provider. (Abstract)

Claim 100 is in parallel with claim 50 and is rejected for at least the same reasons.

As per claim 57,

Garfinkle (\*754) discloses the method according to claim 48, Garfinkle (\*754) does not explicitly disclose the digital rights to the selected portion is associated with a usage rule that defines rights to limitations on a number of copies of the selected portion that can be made.

Stefik (\*403) discloses the digital rights to the selected portion is associated with a usage rule that defines rights to limitations on a number of copies of the selected portion that can be made.

(Figure 15). It would be obvious to one having ordinary skill in the art at the time the invention was made to combine the Garfinkle (\*754) method with the Stefik (\*403) method since the combination of these elements does not alter their respective functions, the combination would have yielded predictable results to one of ordinary skill in the art at the time of the invention.

Claims 89 and 98 are in parallel with claim 57 and are rejected for at least the same reasons.

As per claim 59

Garfinkle ('754) discloses the method according to claim 48,

wherein the digital form of the A/V content is associated with a usage rule. (Column 3, lines 19-43; and lines 54-63)

Claim 76 is in parallel with claim 59 and is rejected for at least the same reasons.

As per claim 60

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Garfinkle ('754) discloses the method according to claim 59,

wherein the request to acquire digital rights to the selected portion is sent before the usage rule expires. (Column 3,

lines 19-43; and lines 54-63)

As per claim 61

Garfinkle ('754) discloses the method according to claim 48,

wherein the menu has a menu selection for acquiring digital rights to the selected portion.

(Column 3, lines 19-43; and lines 54-63)

Claims 90 and 99 are in parallel with claim 61 and are rejected for at least the same reasons

As per claim 73,

Garfinkle ('754) discloses the method according to claim 72,

wherein the transaction comprises purchasing the selected portion of the AN content.

(Column 3, line 66- Column 4, line 9)

As per claim 74,

Garfinkle ('754) discloses the method according to claim 73,

wherein the purchase secures usage rights to Store the selected portion distinct from the A/V content. (Column 4, lines 13-34) Application/Control Number: 09/955,397 Page 9

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As per claim 85,

Garfinkle ('754) discloses the apparatus according to claim 84,

wherein the A/V content is stored as one or more digital files. (Abstract)

Claims 91 and 95 are in parallel with claim 85 and are rejected for at least the same

reasons.

As per claim 86

Garfinkle ('754) discloses the apparatus according to claim 84,

wherein the TOC is stored as one or more digital files. (Abstract)

As per claim 88

Garfinkle ('754) discloses the apparatus according to claim 84,

wherein the transaction comprises receiving a payment from the customer; and permitting

the customer to store the selected portion in accordance with a usage role. (Column 3, line 66-

Column 4, line 9), (Column 4, lines 13-34)

As per claim 93

Garfinkle ('754) discloses the apparatus according to claim 84,

wherein fine transaction comprises one of: a purchase of unlimited rights to play the selected

portion, a purchase of rights to play the selected portion for a designated period of time, and

a purchase of rights to play the selected portion a designated number of times. (Column 3,

line 66- Column 4, line 9)

As per claim 97

Garfinkle ('754) discloses the apparatus according to claim 94,

wherein the transaction comprises sending a payment; and storing the selected portion in accordance with a usage rule, (Column 3, line 66- Column 4, line 9), (Column 4, lines 13-34)

## Response to Arguments

The Applicants arguments filed on December 20, 2007 have been fully considered.

The Applicant states that multiple claim elements are missing from the combination of Garfinkle with Stefik, and the Patent Office has failed to provide any articulated reasoning as to why one of ordinary skill in the art would find the claims as a whole to be obvious in the absence of the claim features not present in the cited art.

In response to Applicant's argument that the prior art does not present a prima facie rejection of the claimed invention, the law of anticipation requires that a distinction be made between the invention described or taught and the invention claimed. It does not require that the reference "teach" what the subject patent teaches. Assuming that a reference is properly "prior art," it is only necessary that the claims under consideration "read on" something disclosed in the reference, i.e., all limitations of the claim are found in the reference, or "fully met" by it.

The examiner states that the rejection under 35 U.S.C. § 112, second paragraph has been withdrawn.

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The Applicant states that the Patent Office asserts that the Garfinkle 'reference shows the A/V content of claim 38. However, the video products of Oarfinkle are distinct and separate video products which are spliced together on the customer's equipment when purchased. (See Oarfinkle, col. 4, 11. 21-26). Applicants respectfully submit that the A/V content as claimed is distinct from the separate video products of the Garfinkle reference.

The examiner responds that, Applicant misinterprets the principle that claims are interpreted in the light of the specification. Although these elements are found as examples or embodiments in the specification, they were not claimed explicitly. Nor were the words that are used in the claims defined in the specification to require these limitations. A reading of the specification provides no evidence to indicate that these limitations must be imported into the claims to give meaning to disputed terms.

# Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JOHN M. WINTER whose telephone number is (571)272-6713. The examiner can normally be reached on M-F 8:30-6, 1st Fridays off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew Fischer can be reached on (571) 272-6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent

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like assistance from a USPTO Customer Service Representative or access to the automated

information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

John Winter

Patent Examiner -- 3685

/Jalatee Worjloh/

Primary Examiner, Art Unit 3685